

Message Text

CONFIDENTIAL

PAGE 01 MANILA 04103 01 OF 04 060436Z

15

ACTION L-03

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-07 SS-20

STR-08 CEA-02 AGR-20 TAR-02 DODE-00 PA-04 USIA-15

PRS-01 DRC-01 DOTE-00 FMC-04 CG-00 COA-02 DLOS-06

SWF-02 SCA-01 /186 W

----- 114490

R 060211Z APR 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2560

C O N F I D E N T I A L SECTION 1 OF 4 MANILA 4103

1. FOLLOWING TEXT COUNTER DRAFT TREATY OF AMITY AND
ECONOMIC RELATIONS SUBMITTED BY GOP APRIL 5. (EMBASSY
COMMENTS SEPTTEL): QUOTE

TREATY OF AMITY AND ECONOMIC RELATIONS BETWEEN THE
REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF
AMERICA

THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES
OF AMERICA, HEREINAFTER REFERRED TO AS THE CONTRACTING PARTIES;
TAKING NOTE OF THEIR EXISTING FRIENDLY RELATIONS;

CONSCIOUS OF THE RELATIVE STAGES OF THEIR DEVELOPMENT
AND THE AVOWED COMMITMENT OF DEVELOPED COUNTRIES, ON A NON-
RECIPROCAL BASIS, TO ACCORD HIGH PRIORITY TO THE REDUCTION AND
ELIMINATION OF BARRIERS TO THE EXPORT OF PRODUCTS OF CURRENT AND
POTENTIAL INTEREST TO DEVELOPING COUNTRIES, AND TO ALLOW DEVELOP-
ING COUNTRIES TO USE SPECIAL MEASURES TO PROMOTE THEIR TRADE
AND DEVELOPMENT IN ACCORDANCE WITH THE GENERAL AGREEMENT ON
TARIFF AND TRADE AND WITH THE GENERALIZED SYSTEM OF PREFERENCES.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 04103 01 OF 04 060436Z

DESIROUS OF MAINTAINING AND EXPANDING THEIR TRADE
RELATIONS AND CREATING FAVORABLE CONDITIONS FOR INVESTMENTS BY
NATIONALS AND COMPANIES OF EITHER COUNTRY IN THE TERRITORY OF THE
OTHER IN ACCORDANCE WITH THEIR RESPECTIVE NEEDS AND OBJECTIVES;
AND

RECOGNIZING THAT THERE IS A NEED TO REPLACE THE EXECUTIVE
AGREEMENT CONCERNING TRADE AND RELATED MATTERS BETWEEN THE
REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA
HAVE AGREED AS FOLLOWS:

ARTICLE I

AS USED AND REFERRED TO IN THIS TREATY:

1) THE TERM "REPUBLIC OF THE PHILIPPINES" SHALL
REFER TO THE ENTITY AS PRESENTLY CONSTITUTED AND WHOSE
NATIONAL TERRITORY AS DEFINED IN ARTICLE I OF ITS CONSTITUTION;

2) THE TERM "UNITED STATES OF AMERICA" SHALL
INCLUDE THE STATES THEREOF, THE DISTRICT OF COLUMBIA,
GUAM, PUERTO RICO, WAKE ISLAND AND U.S. TRUST TERRITORIES
AND OVERSEAS POSSESSIONS;

3) THE TERM "NATIONALS" SHALL MEAN:
A) WITH RESPECT TO THE REPUBLIC OF THE PHILIPPINES,
CITIZENS WITHIN THE MEANING OF ARTICLE III OF ITS
CONSTITUTION;

B) WITH RESPECT TO THE UNITED STATES OF AMERICA,
CITIZENS AND NATIONALS WITHIN THE MEANING OF THE FEDERAL
LAWS OF THE UNITED STATES;

4) THE TERM "COMPANY" SHALL MEAN:
A) WITH RESPECT TO THE REPUBLIC OF THE PHILIPPINES,
ANY PARTNERSHIP, CORPORATION, ASSOCIATION, OR ANY FORM OF
ORGANIZATION OR ENTITY, WHETHER ORGANIZED FOR PROFIT OR NOT,
CREATED, ORGANIZED OR LICENSED AND COMPLYING WITH THE MINIMUM
PERCENTAGES OF OWNERSHIP BY FILIPINO CITIZENS REQUIRED FOR THE
ACTIVITIES IN WHICH IT IS LICENSED TO ENGAGE UNDER
THE LAWS OF THE REPUBLIC OF THE PHILIPPINES;

B) WITH RESPECT TO THE UNITED STATES OF AMERICA,
ANY PARTNERSHIP, CORPORATION, ASSOCIATION, JOINT STOCK COMPANY,
OTHER JURIDICAL PERSON OR OTHER ENTITY WHETHER ORGANIZED FOR
PROFIT OR NOT, WHICH IS CREATED AND ORGANIZED UNDER THE LAWS
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 04103 01 OF 04 060436Z

OF THE UNITED STATES OF AMERICA AS DEFINED IN PARAGRAPH
2 HEREOF.

5) THE TERM "INVESTMENT" SHALL MEAN ANY FREELY CONVERT-
IBLE CURRENCY ACTUALLY BROUGHT AS EQUITY INTO THE TERRITORY OF,
AND REGISTERED WITH THE APPROPRIATE GOVERNMENT AGENCIES OF THE CON-
TRACTING PARTY IN WHICH THE INVESTMENT IS ACTUALLY MADE. IN CASE
THE EQUITY IS MADE IN ASSETS OTHER THAN CASH ACTUALLY BROUGHT INTO
THE TERRITORY OF THE OTHER CONTRACTING PARTY, INVESTMENT SHALL

MEAN THE VALUE OF SUCH ASSET AS DETERMINED BY AND REGISTERED WITH THE APPROPRIATE GOVERNMENT AGENCIES OF THE CONTRACTING PARTY IN WHICH THE INVESTMENT IS ACTUALLY MADE. THE TERM INVESTMENT ALSO INCLUDES THE REINVESTMENT OF EARNINGS THEREFROM; AND FOREIGN LOANS AND CREDITS WHEN CONVERTED INTO EQUITY AND DULY REGISTERED WITH THE APPROPRIATE GOVERNMENT AGENCIES OF THE CONTRACTING PARTY IN WHICH THE INVESTMENT IS MADE.

6) THE TERM "EARNINGS" SHALL MEAN ANY RETURNS IN WHATEVER FORM, DERIVED FROM INVESTMENTS AS DEFINED IN PARAGRAPH OF THE ARTICLE.

ARTICLE II

1. NATIONALS OF EITHER PARTY SHALL, SUBJECT TO THE LAWS AND REGULATIONS RELATING TO THE ENTRY AND SOJOURN OF ALIENS, BE PERMITTED TO ENTER THE TERRITORIES OF THE OTHER PARTY, TO TRAVEL, THEREIN, FREELY, AND TO RESIDE AT PLACES OF THEIR CHOICE.

2. SUBJECT TO THE CONSTITUTION, LAWS AND ORDERS OF EITHER PARTY, NATIONALS SHALL IN PARTICULAR BE PERMITTED TO ENTER THE TERRITORIES OF THE OTHER PARTY AND TO REMAIN THEREIN FOR THE PURPOSE OF: (A) CARRYING ON TRADE BETWEEN THE TERRITORIES OF THE TWO PARTIES; OR (B) DEVELOPING AND DIRECTING THE OPERATIONS OF AN ENTERPRISE IN WHICH THEY HAVE INVESTED OR ARE ACTIVELY IN PROCESS OF INVESTING A SUBSTANTIAL AMOUNT OF CAPITAL.

3. THE PROVISIONS OF PARAGRAPH 2 SHALL EXTEND TO (A) SPOUSES AND UNMARRIED MINOR CHILDREN OF PERSONS REFERRED TO IN SUCH PARAGRAPH, IF ACCOMPANYING OR FOLLOWING TO JOIN SUCH PERSONS; AND (B) A QUALIFIED NATIONAL OF EITHER PARTY SEEKING TO ENTER THE TERRITORIES OF THE OTHER PARTY SOLELY FOR THE PURPOSE OF DEVELOPING AND DIRECTING THE OPERATIONS OF AN ENTERPRISE IN THE TERRITORIES OF SUCH OTHER PARTY IN WHICH HIS EMPLOYER HAS INVESTED OR IS ACTIVELY IN THE PROCESS OF INVESTING A SUBSTANTIAL AMOUNT

CONFIDENTIAL

PAGE 04 MANILA 04103 01 OF 04 060436Z

OF CAPITAL, PROVIDED THAT SUCH EMPLOYER IS A NATIONAL OR COMPANY OF THE SAME NATIONALITY AS THE APPLICANT AND THAT THE APPLICANT IS EMPLOYED BY SUCH NATIONAL OR COMPANY IN A RESPONSIBLE CAPACITY.

4. EACH PARTY RESERVES THE RIGHT TO EXCLUDE OR EXPEL NATIONALS OF THE OTHER PARTY ON GROUNDS RELATING TO NATIONAL SECURITY, PUBLIC MORALS, AND HEALTH, AS SET FORTH IN ITS IMMIGRATION AND OTHER LAWS.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 MANILA 04103 02 OF 04 060841Z

15

ACTION L-03

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-07 SS-20

STR-08 CEA-02 AGR-20 TAR-02 DODE-00 PA-04 USIA-15

PRS-01 DRC-01 DOTE-00 FMC-04 CG-00 COA-02 DLOS-06

SWF-02 SCA-01 /186 W

----- 117240

R 060211Z APR 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2561

C O N F I D E N T I A L SECTION 2 OF 4 MANILA 4103

ARTICLE III

1. NATIONALS OF EITHER CONTRACTING PARTY SHALL BE ACCORDED NATIONAL TREATMENT WITH RESPECT TO THE APPLICATION OF LAWS AND REGULATIONS WITHIN THE TERRITORIES OF THE OTHER PARTY THAT ESTABLISH A PECUNIARY COMPENSATION, OR OTHER BENEFIT OR SERVICE, ON ACCOUNT OF DISEASE, INJURY OR DEATH ARISING OUT OF AND WITH COURSE OF EMPLOYMENT OR DUE TO THE NATURE OF EMPLOYMENT.

2. IN ADDITION TO THE RIGHT AND PRIVILEGES PROVIDED IN PARAGRAPH 1 OF THE PRESENT ARTICLE NATIONALS OF EITHER PARTY SHALL, WITHIN THE TERRITORIES OF THE OTHER PARTY, BE ACCORDED NATIONAL TREATMENT IN THE APPLICATION OF LAWS AND REGULATIONS ESTABLISHING COMPULSORY SYSTEMS OF SOCIAL SECURITY AND MEDICAL CARE, UNDER WHICH BENEFITS ARE PAID WITHOUT AN INDIVIDUAL TEST OF FINANCIAL NEED: A) AGAINST LOSS OF WAGES OR EARNINGS DUE TO OLD AGE, UNEMPLOYMENT, SICKNESS OR DISABILITY, OR B) AGAINST LOSS OF FINANCIAL SUPPORT DUE TO THE DEATH OF FARTHER, HUSBAND OR OTHER

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 04103 02 OF 04 060841Z

PERSON ON WHOM SUCH SUPPORT HAD DEPENDED.

ARTICLE IV

1. NATIONALS OF EITHER PARTY SHALL RECEIVE THE MOST CONSTANT PROTECTION AND SECURITY WITHIN THE TERRITORIES OF THE OTHER PARTY, IN NO CASE LESS THAN THAT REQUIRED BY INTERNATIONAL LAW. WHEN ANY SUCH NATIONAL IS IN CUSTODY HE SHALL IN EVERY RESPECT RECEIVE REASONABLE AND HUMANE TREATMENT; AND ON HIS DEMAND THE DIPLOMATIC OR CONSULAR REPRESENTATIVE OF HIS COUNTRY SHALL BE IMMEDIATELY NOTIFIED BY THE APPROPRIATE AUTHORITIES OF THE DETAINING PARTY, AND ACCORDED FULL OPPORTUNITY TO SAFEGUARD HIS INTERESTS. HE SHALL PROMPTLY BE INFORMED OF THE ACCUSATIONS AGAINST HIM, PERMITTED TO COMMUNICATE WITH THE DIPLOMATIC OR CONSULAR REPRESENTATIVES OF HIS COUNTRY, ALLOWED AMPLE FACILITIES TO DEFEND HIMSELF.

2. NATIONALS OF EITHER PARTY WITHIN THE TERRITORIES OF THE OTHER PARTY SHALL, SO LONG AS THEIR ACTIVITIES ARE NOT CONTRARY TO PUBLIC ORDER, NATIONAL SECURITY, HEALTH OR MORALS: (A) ENJOY LIBERTY OF CONSCIENCE AND THE RIGHT TO HOLD RELIGIOUS SERVICES; (B) BE PERMITTED TO ENGAGE IN PHILANTHROPIC, AND SCIENTIFIC ACTIVITIES, AND (C) HAVE THE RIGHT TO GATHER AND TRANSMIT INFORMATION FOR DISSEMINATION TO THE PUBLIC ABROAD, AND OTHERWISE TO COMMUNICATE WITH OTHER PERSONS INSIDE AND OUTSIDE SUCH TERRITORIES SUBJECT TO THE LIMITATIONS THAT MAY BE IMPOSED BY THE CONSTITUTION, LAWS, RULES AND REGULATIONS AND ORDERS IN EFFECT WITHIN THE JURISDICTION OF EITHER PARTY.

ARTICLE V

1. COMPANIES ORGANIZED AND CONSTITUTED UNDER THE APPLICABLE LAWS AND REGULATIONS OF EITHER PARTY SHALL BE DEEMED COMPANIES THEREOF AND SHALL HAVE THEIR JURIDICAL STATUS RECOGNIZED WITH THE TERRITORIES OF THE OTHER PARTY. THIS SHALL NOT MEAN THE RECOGNITION OF THE RIGHT OF SUCH COMPANIES TO ENGAGE IN BUSINESS WITHOUT SECURING THE APPROPRIATE AUTHORITY THEREFOR.

2. NATIONALS AND COMPANIES OF EITHER PARTY SHALL HAVE FREE ACCESS TO THE COURTS OF JUSTICE AND ADMINISTRATIVE AGENCIES WITHIN THE TERRITORIES OF THE OTHER PARTY, IN ALL DEGREES OF JURISDICTION, BOTH IN DEFENSE AND IN PURSUIT OF THEIR RIGHTS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 04103 02 OF 04 060841Z

SUCH ACCESS SHALL BE ALLOWED UPON TERMS NO LESS FAVORABLE THAN THOSE APPLICABLE TO NATIONALS AND COMPANIES OF ANY THIRD COUNTRY, INCLUDING THE TERMS APPLICABLE TO REQUIREMENTS FOR DEPOSIT OF SECURITY. IT IS UNDERSTOOD THAT COMPANIES NOT ENGAGED IN ACTIVITIES WITHIN THE COUNTRY SHALL ENJOY THE RIGHT OF SUCH ACCESS WITHOUT ANY REQUIREMENT OF REGISTRATION OR DOMESTICATION.

ARTICLE VI

TO SECSTATE WASHDC 2562

C O N F I D E N T I A L SECTION 3 OF 4 MANILA 4103

ARTICLE VIII

1. WITH RESPECT TO PHILIPPINE PRODUCTS IMPORTED INTO THE UNITED STATES, NO INTERNAL TAX SHALL BE COLLECTED OR PAID IN AN AMOUNT IN EXCESS OF THE INTERNAL TAX IMPOSED WITH RESPECT TO SIMILAR PRODUCTS OF THE UNITED STATES OR ANY THIRD COUNTRY.

2. THE PHILIPPINE RESERVES THE RIGHT TO IMPOSE ON A MOST-FAVORED-NATION BASIS INTERNAL TAXES OR OTHER CHARGES HAVING EQUIVALENT EFFECT ON PRODUCTS IMPORTED INTO THE PHILIPPINES IN EXCESS OF THE INTERNAL TAX OR CHARGES LEVIED WITH RESPECT TO SIMILAR PRODUCTS OF THE PHILIPPINES.

ARTICLE IX

1. NO PROVISION OF THIS AGREEMENT SHALL BE INTERPRETED IN SUCH A MANNER AS TO PREJUDICE MEASURES THAT MAY BE TAKEN BY EITHER CONTRACTING PARTY ON MORAL OR HUMANITARIAN GROUNDS OR FOR REASONS OF PUBLIC HEALTH AND PUBLIC SECURITY, OR MEASURES CONCERN-
CONFIDENTIAL
CONFIDENTIAL

PAGE 02 MANILA 04103 03 OF 04 060608Z

ING THE TRADE IN WEAPONS, AMMUNITION AND MILITARY EQUIPMENT, OR MEASURES FOR THE PROTECTION OF ANIMALS AND PLANTS AGAINST DISEASES AND EPIDEMICS, OR MEASURES FOR THE PRESERVATION OF THE NATIONAL ARTISTIC, HISTORICAL OR ARCHAEOLOGICAL HERITAGE, AND MEASURE CONCERN-
ING THE IMPORTATION AND EXPORTATION OF GOLD AND SILVER.

2. THE CONTRACTING PARTIES, HOWEVER, BEFORE APPLYING A NEW MEASURE FOR REASONS OF PUBLIC HEALTH OR THE PROTECTION OF ANIMALS AND PLANTS AGAINST DISEASES AND EPIDEMICS, AGREE TO CONSULT EACH OTHER WITH A VIEW TO INSURING THAT THERE WILL BE AS LITTLE INJURY TO THE COMMERCE OF THE OTHER PARTY AS MAY BE CONSISTENT WITH THE PURPOSE OF THE PROPOSED MEASURE.

ARTICLE X

WITH RESPECT TO TRADE, THE PROVISIONS OF THIS AGREEMENT SHALL NOT APPLY TO ADVANTAGES, CONCESSIONS, AND PRIVILEGES ACCORDED BY THE REPUBLIC OF THE PHILIPPINES AS REGARDS:

1) SPECIAL PREFERENCES TO NEIGHBORING COUNTRIES
TO FACILITATE FRONTIER TRAFFIC;

2) SPECIAL ADVANTAGES RESULTING FROM A CUSTOMS
UNION OR A FREE TRADE AREA WHICH THE PHILIPPINES MAY

CONCLUDE, OR OF AN INTERIM AGREEMENT LEADING TO
THE FORMATION OF A CUSTOMS UNION OR A FREE TRADE
AREA WHICH THE PHILIPPINES MAY ENTER INTO;
3) SPECIAL ADVANTAGES OR PREFERENCES UNDER
ANY SCHEME FOR THE EXPANSION OF TRADE AND ECONOMIC
COOPERATION AMONG DEVELOPING COUNTRIES INCLUDING
BILATERAL, SUB-REGIONAL AND REGIONAL ARRANGEMENTS;

4) SPECIAL ADVANTAGES OR PREFERENCES WHICH MAY
BE GIVEN TO DEVELOPING COUNTRIES UNDER ANY SCHEME
OR AGREEMENT THAT MAY BE ENTERED INTO IN THE FUTURE.

ARTICLE XI

EACH CONTRACTING PARTY SHALL ENDEAVOR TO ADMIT INVEST-
CONFIDENTIAL
CONFIDENTIAL

PAGE 03 MANILA 04103 03 OF 04 060608Z

MENTS BY NATIONALS OR COMPANIES OF THE OTHER CONTRACTING PARTY
WITHIN THE FRAMEWORK OF ITS GENERAL ECONOMIC POLICY AS PROVIDED
FOR IN ITS CONSTITUTION, LAWS, RULES AND REGULATIONS.

ARTICLE XII

1) INVESTMENTS OR OTHER PROPERTY RIGHTS OF NATIONALS
OR COMPANIES OF EITHER CONTRACTING PARTY SHALL ENJOY FAIR AND
EQUITABLE PROTECTION AND TREATMENT IN THE TERRITORY OF THE
OTHER CONTRACTING PARTY.

2) NATIONALS AND COMPANIES OF EITHER CONTRACTING
PARTY SHALL BE ACCORDED PROTECTION AND TREATMENT NO LESS
FAVORABLE THAN THAT ACCORDED TO NATIONALS AND COMPANIES
OF ANY THIRD COUNTRY WITH RESPECT TO SIMILAR INVESTMENTS AND
EARNINGS DERIVED THEREFROM.

3) THE INVESTMENTS OR OTHER PROPERTY RIGHTS OF
NATIONALS OR COMPANIES OF EITHER CONTRACTING PARTY IN THE
TERRITORY OF THE OTHER CONTRACTING PARTY SHALL NOT BE ESCHEATED
EXCEPT IN PURSUANCE OF A DECLARED NATIONAL POLICY NOR BE
EXPROPRIATED EXCEPT FOR PUBLIC USE OR PUBLIC PURPOSE OR IN THE
INTEREST OF NATIONAL WELFARE AND DEFENSE AND UPON PAYMENT OF
JUST COMPENSATION, AS DETERMINED BY THE NATIONAL LAW OF THE
CONTRACTING PARTY WHERE THE INVESTMENT IS MADE.

4) THE PROVISIONS OF PARAGRAPHS 1, 2 AND 3 OF THIS
ARTICLE SHALL LIKEWISE APPLY TO EARNINGS FROM INVESTMENTS.

ARTICLE XIII

1. NATIONALS AND COMPANIES OF EITHER CONTRACTING PARTY SHALL BE ACCORDED TREATMENT NO LESS FAVORABLE THAN THAT ACCORDED TO NATIONALS AND COMPANIES OF ANY THIRD COUNTRY WITH RESPECT TO REPATRIATION OF INVESTMENTS, REMITTANCE OF EARNINGS OF INVESTMENTS AND PAYMENTS OF THE COMPENSATION REFERRED TO IN ARTICLE XII OF THIS TREATY.

2. EACH CONTRACTING PARTY SHALL GUARANTEE TO THE NATIONALS OR COMPANIES OF THE OTHER CONTRACTING PARTY THE WITHDRAWAL IN FREELY
CONFIDENTIAL
CONFIDENTIAL

PAGE 04 MANILA 04103 03 OF 04 060608Z

CONVERTIBLE FOREIGN CURRENCY OF THE AMOUNTS COVERING THE MATTERS TREATED UNDER PARAGRAPH (1) OF THIS ARTICLE, SUBJECT TO THEIR RESPECTIVE FOREIGN EXCHANGE REGULATIONS. THE RATE APPLICABLE TO SUCH WITHDRAWAL SHALL BE THE RATE OF EXCHANGE PREVAILING AT THE TIME OF SUCH PAYMENTS, AS DETERMINED BY THE CONTRACTING PARTY AUTHORIZING THE REMITTANCE.

3. NO PROVISION IN THIS TREATY SHALL BE CONSTRUED AS DELIMITING IN ANY MANNER ANY MEASURE TO SAFEGUARD THE INTEGRITY AND INDEPENDENCE OF THE CURRENCY OF EITHER CONTRACTING PARTY NOR TO PRECLUDE EITHER CONTRACTING PARTY FROM IMPOSING SUCH EXCHANGE RESTRICTIONS AS MAY BE NECESSARY TO SAFEGUARD ITS EXTERNAL FINANCIAL POSITION AND BALANCE OF PAYMENTS AND AS ARE CONSISTENT WITH THE RIGHTS AND OBLIGATIONS THAT EITHER PARTY HAS OR MAY HAVE AS A MEMBER OF THE INTERNATIONAL MONETARY FUND.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 MANILA 04103 04 OF 04 060627Z

15

ACTION L-03

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-07 SS-20

STR-08 CEA-02 AGR-20 TAR-02 DODE-00 PA-04 USIA-15

PRS-01 DRC-01 DOTE-00 FMC-04 CG-00 COA-02 DLOS-06

SWF-02 SCA-01 /186 W

----- 115632

R 060211Z APR 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2563

C O N F I D E N T I A L SECTION 4 OF 4 MANILA 4103

ARTICLE XIV

WITH RESPECT TO INVESTMENTS, THE PROVISIONS OF THIS TREATY
SHALL NOT APPLY TO ADVANTAGES, CONCESSIONS AND PRIVILEGES ACCORDED
BY THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AS REGARDS:

1. SPECIAL CONCESSIONS FOR THE PROMOTION OF ECONOMIC
COOPERATION AMONG DEVELOPING COUNTRIES, OR FOR INTERNATIONAL
COMPLEMENTATION SCHEMES FOR THE MANUFACTURE OF PRODUCTS,
INCLUDING BILATERAL, SUB-REGIONAL OR REGIONAL ARRANGEMENTS; AND
2. SUCH OTHER SPECIAL PREFERENCES OR CONCESSIONS NOW GRANTED
OR WHICH MAY HEREAFTER BE GRANTED BY LEGISLATION TO ANY
NATIONAL OR COMPANIES OF ANY DEVELOPING COUNTRY DESIGNED
TO PROMOTE INDUSTRIAL INVESTMENT OR FOSTER ECONOMIC
GROWTH AND DEVELOPMENT OF THE ECONOMY OF THE REPUBLIC
OF THE PHILIPPINES.

ARTICLE XV

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 04103 04 OF 04 060627Z

TAXES WHICH HAVE BEEN RELIEVED OR REDUCED IN ONE OF
THE CONTRACTING PARTIES BY VIRTUE OF THE NATIONAL LAW OF THAT
CONTRACTING PARTY FOR A LIMITED PERIOD OF TIME SHALL BE CONSIDERED
AS THOUGH SUCH TAX HAD BEEN PAID AND SHALL BE ALLOWED TAX CREDIT
IN THE OTHER CONTRACTING PARTY IN AN AMOUNT EQUAL TO THE TAX WHICH
WOULD HAVE BEEN APPROPRIATE TO THE INCOME CONCERNED IF NO SUCH
RELIEF HAD BEEN GIVEN OR NO SUCH REDUCTION HAD BEEN ALLOWED.

ARTICLE XVI

IN THE ADMINISTRATION OF ITS CUSTOMS REGULATIONS AND
PROCEDURES, EACH PARTY SHALL: A) PROMPTLY PUBLISH ALL REQUIRE-
MENTS OF GENERAL APPLICATION AFFECTING IMPORATION AND EXPORTATION;
B) REFRAIN, AS A GENERAL PRACTICE, FROM ENFORCING NEW OR MORE
BURDENSOME REQUIREMENTS UNTIL AFTER PUBLIC NOTICE THEREOF; AND
C) ALLOW APPEALS TO BE TAKEN FROM RULINGS OF THE CUSTOMS AUTHORITIES.

ARTICLE XVII

1. BETWEEN THE TERRITORIES OF THE TWO PARTIES THERE SHALL BE FREEDOM OF COMMERCE AND NAVIGATION.

2. VESSELS UNDER THE FLAG OF EITHER PARTY, AND CARRYING THE PAPERS REQUIRED BY ITS LAW IN PROOF OF NATIONALITY, SHALL BE DEEMED TO BE VESSELS OF THAT PARTY BOTH ON THE HIGH SEAS AND WITHIN THE PORTS, PLACES AND WATERS OF THE OTHER PARTY.

3. VESSELS OF EITHER PARTY THAT ARE IN DISTRESS SHALL BE PERMITTED TO TAKE REFUGE IN THE NEAREST PORT OR HAVEN OF THE OTHER PARTY, AND SHALL RECEIVE FRIENDLY TREATMENT AND ASSISTANCE.

4. THE CONTRACTING PARTIES AGREE TO CONTINUE TO ALLOW VESSELS OF BOTH PARTIES TO PARTICIPATE IN THE TRADE BETWEEN THE PARTIES. EACH CONTRACTING PARTY AGREES NOT TO DISCRIMINATE AGAINST THE VESSELS OF THE OTHER CONTRACTING PARTY.

5. THE TERM "VESSELS" AS USED HEREIN, MEANS ALL TYPES
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 04103 04 OF 04 060627Z

OF VESSELS, WHETHER PRIVATELY OWNED OR OPERATED, OR PUBLICLY OWNED OR OPERATED, BUT THIS TERM DOES NOT, EXCEPT WITH REFERENCE TO PARAGRAPHS 2 AND 3 OF THE PRESENT ARTICLE, INCLUDE FISHING VESSELS OR VESSELS OF WAR.

ARTICLE XVIII

1. THE PRESENT TREATY SHALL NOT PRECLUDE THE APPLICATION OF MEASURES: A) RELATING TO DISSIONABLE MATERIALS, THE RADIOACTIVE BY-PRODUCTS THEREOF, OR THE SOURCES THEREOF; B) REGARDING ITS NATIONAL FISHERIES AND THE LANDING OF THE PRODUCTS THEREOF.

2. THE PRESENT TREATY DOES NOT ACCORD ANY RIGHT TO ENGAGE IN POLITICAL ACTIVITIES.

3. THE MOST-FAVORED-NATIONAL PROVISIONS OF THE PRESENT TREATY RELATING TO THE TREATMENT OF GOODS SHALL NOT EXTEND TO ADVANTAGES ACCORDED BY THE UNITED STATES OF AMERICA OR ITS POSSESSIONS, IRRESPECTIVE OF ANY FUTURE CHANGE IN THEIR POLICIAL STATUS, TO ONE ANOTHER, TO THE TRUST TERRITORY OF THE PACIFIC ISLANDS
.

ARTICLE XIX

THE CONTRACTING PARTIES AGREE TO CONSULT EACH OTHER

PERIODICALLY ON ANY MATTER COVERED BY THIS TREATY.

ARTICLE XX

1. THIS TREATY SHALL ENTER INTO FORCE UPON THE EXCHANGE OF RATIFICATIONS. IT SHALL REMAIN IN FORCE FOR A PERIOD OF (LINE) YEARS AND SHALL CONTINUE THEREAFTER UNTIL TERMINATED AS PROVIDED FOR HEREUNDER.

2. EITHER CONTRACTING PARTY MAY TERMINATE THE PRESENT AGREEMENT AT THE END OF THE INITIAL PERIOD OR AT ANYTIME THEREAFTER BY GIVING A 6-MONTH WRITTEN NOTICE TO THE OTHER PARTY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MANILA 04103 04 OF 04 060627Z

ARTICLE XXI

THIS TREATY SUPERSEDES THE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA CONCERNING TRADE AND RELATED MATTERS SIGNED IN MANILA ON JULY 4, 1946, AND REVISED BY AN EXECUTIVE AGREEMENT SIGNED IN WASHINGTON, D.C., ON SEPTEMBER 6, 1955.

DONE IN DUPLICATE IN MANILA THIS (LINE) DAY OF (LINE) 197(LINE).

FOR THE GOVERNMENT OF THE

FOR THE GOVERNMENT OF THE

REPUBLIC OF THE PHILIPPINES

UNITED STATES OF AMERICA

SULLIVAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, EXPULSION, TRADE AGREEMENTS, FOREIGN INVESTMENTS, BUSINESS FIRMS, TRADE CONTROLS, PREFERENTIAL TARIFFS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MANILA04103
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
Film Number: D740078-0355
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740461/aaaacdkb.tel
Line Count: 640
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION L
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 12
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 07 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Aug-2002 by worrelsw>; APPROVED <14 FEB 2003 by GolinoFR>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TREATY OF AMITY AND ECONOMIC RELATIONS BETWEEN THE UNITED STATES AND THE REPUBLIC OF THE PHILIPPINES
TAGS: ETRD, US, RP
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005